

**MINUTES OF THE  
EXECUTIVE APPROPRIATIONS COMMITTEE**  
Thursday, January 29, 2015 – 5:00 p.m. – Room 445 State Capitol

**Members Present:**

Sen. Lyle W. Hillyard, Co-Chair  
Rep. Dean Sanpei, Co-Chair  
Sen. Jerry W. Stevenson, Vice Chair  
Rep. Brad L. Dee, Vice Chair  
Sen. J. Stuart Adams  
Sen. Jim Dabakis  
Sen. Gene Davis  
Sen. Luz Escamilla  
Sen. Peter C. Knudson  
Sen. Karen Mayne  
President Wayne L. Niederhauser  
Sen. Ralph Okerlund  
Rep. Patrice M. Arent

Rep. Joel K. Briscoe  
Rep. Rebecca Chavez-Houck  
Rep. James A. Dunnigan  
Rep. Francis D. Gibson  
Speaker Gregory H. Hughes  
Rep. Brian S. King  
Rep. Brad R. Wilson

**Staff Present:**

Mr. Jonathan Ball, Legislative Fiscal Analyst  
Mr. Steven Allred, Deputy Director  
Ms. Greta Rodebush, Legislative Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order/Approval of Minutes**

Co-Chair Hillyard called the meeting to order at 5:17 p.m.

**MOTION:** Rep. Sanpei moved to approve the minutes of December 9, 2015. The motion passed unanimously with Sen. Dabakis, Sen. Mayne, Rep. Dunnigan, Rep. Gibson, Speaker Hughes, and Rep. King absent for the vote.

**2. Base Budget Review**

Mr. Ball previewed the tools on the legislative website that can be used in evaluating base budgets. He showed how base budget bills are hyperlinked to a revised, more user friendly Compendium of Budget Information (COBI). Mr. Ball discussed how to access budget information in COBI using the Overview, Issues, Performance, and Financials Tabs. He also mentioned that there are videos linked to the COBI site that show you how to use COBI and learn about the budget process.

Mr. Allred reported on the [National Guard, Veterans' Affairs, and Legislature Base Budget \(HB0007\)](#). He noted that each subcommittee performed a budget effectiveness review of existing budgets, stress tested the budgets, and looked for real savings.

Mr. Allred reported that the total budget for the Executive Appropriations Committee (EAC) agencies is approximately \$104 million. Federal funds makes up 63 percent or \$65 million of this budget. Of the \$65 million, \$46 million is in the Utah National Guard, and \$19 million is in the Department of Veterans' and Military Affairs. The remainder of the agencies' budget comes from the General Fund (GF), 35 percent or \$36 million, and Dedicated Credits, 2 percent or \$2.3 million. Mr. Allred explained that 44 percent of

those monies are used for current expenses, \$20 million is for Operations and Maintenance in the Utah National Guard, and \$18 million is for Nursing Homes in the Department of Veterans' and Military Affairs.

#### **a. Utah National Guard**

Mr. Allred reviewed the base budget for the Utah National Guard (UNG) using the COBI website: [http://www.le.utah.gov/lfa/reports/cobi2015/LI\\_JSA.htm](http://www.le.utah.gov/lfa/reports/cobi2015/LI_JSA.htm). The UNG has a budget of approximately \$54 million, of which approximately 86 percent or \$46 million is federal funds and 11.7 percent or \$6 million is General Fund. The \$6 million GF is distributed to three separate programs: \$1 million - Administration, \$4 million - Operations and Maintenance, and \$1 million - Tuition Assistance.

In terms of the budget effectiveness review, Mr. Allred provided an option for a 2 percent reduction to UNG Building Energy Consumption (\$122,600) GF ongoing. He also discussed federal funds, intent language, prior year budget actions, fees, FTEs, and vehicles.

Mr. Michael J. Norton, UNG, distributed the handout, "FY 16 State Budget Request."

Adjutant General Jefferson S. Burton, UNG, reviewed a number of UNG performance measures that included personnel readiness, training readiness, and an installation status report. He also discussed funding for the UNG, both federal and state. General Burton pointed out that a significant amount of federal funding comes to the UNG, approximately \$224 million, and that state matching funds help execute those funds. One of the major issues the UNG is dealing with federally, is the removal of the apache helicopter. The UNG wants to keep those aircraft in the state.

Co-Chair Hillyard inquired about the number of members of the UNG who are stationed outside the United States in a combat zone. General Burton responded that there are about half a dozen guard members who are currently deployed outside the United States, which represents the lowest level of deployment since 2001. He indicated though that there are a number of deployments in the works.

Co-Chair Hillyard expressed his appreciation to the UNG.

#### **b. Department of Veterans & Military Affairs**

Mr. Allred reviewed the base budget for the Department of Veterans & Military Affairs (DVMA) using the COBI website: [http://www.le.utah.gov/lfa/reports/cobi2015/agcy\\_450.htm](http://www.le.utah.gov/lfa/reports/cobi2015/agcy_450.htm). The DVMA has a budget of approximately \$22 million of which \$19.3 million comes from federal funds, and those funds go primarily to the Veterans' Nursing Home Fund. The DVMA receives approximately \$2.2 million from the General Fund that go to four separate programs: Administration, Veterans' Cemetery, Outreach Services, and Military Affairs.

In undertaking its budget effectiveness review, Mr. Allred suggested that the committee could consider the option of reducing Outreach Services by \$44,100, which is equal to the 2 percent target. He explained that during the 2015 General Session, the Legislature reallocated \$467,400 ongoing General Fund formerly in the Nursing Home program (replaced with federal funds) as follows: \$383,400 to Outreach

Services and \$84,000 to the Military Affairs program. A \$44,100 reduction to Outreach Services represents 12 percent of the funds reallocated to the Outreach Services budget.

Mr. Allred also reviewed federal funds, intent language, fee increases, prior year budget changes, FTEs, and vehicles.

Mr. Gary Harter, Executive Director, DVMA, introduced Mr. Dennis McFall, Deputy Director, DVMA, and Mr. Todd Hansen, Director, Salt Lake Veterans Home. He referred to two handouts titled, "Utah Department of Veterans & Military Affairs," and discussed the DMVA mission statement, goals and objectives, performance measures, department functions, FY 2016 revenues and budget.

Concerning the budget effectiveness review, Mr. Harter proposed using a portion of the \$650,000 ongoing General Fund used for pass-through to the Utah Defense Alliance. He also highlighted the achievements in Veterans Outreach Services, Employment, Education, Veteran's Information System Database, and Veterans' Homes.

Rep. Sanpei expressed his appreciation to the DMVA and asked if there were unmet veterans' needs. Mr. Harter explained that in the areas of the state where the department has committed a lot of assets, particularly in northern and southern Utah, the DMVA is experiencing a lot of growth. As the department continues to concentrate on other areas of the state, he stated that the numbers will go up. Mr. Harter commented however that reducing the Outreach Services Appropriation by \$44,100 will impede the department's ability to connect with veterans.

Co-Chair Hillyard thanked the DMVA and recognized the department's expansion efforts.

### **c. Capital Preservation Board**

Mr. Allred presented the base budget for the Capitol Preservation Board (CPB) via the COBI website: [http://www.le.utah.gov/lfa/reports/cobi2015/agcy\\_030.htm](http://www.le.utah.gov/lfa/reports/cobi2015/agcy_030.htm). The CPB has a base budget of \$5 million of which \$4.2 million General Fund and \$311,000 from Dedicated Credits. The largest expense to the CPB, \$3.8 million, is current expense for Operations & Maintenance on buildings on Capitol Hill which is handled through the Division of Facilities Construction and Management (DFCM).

Under the budget effectiveness review, Mr. Allred stated that a 2 percent soft target for the CPB is \$84,900. Mr. Allred suggested taking the reduction in Capitol Hill Operations and Maintenance – (\$84,900) where there is some flexibility to adjust the agreement with DFCM.

Mr. Allred also discussed intent language, fee changes, prior year budget changes, and FTEs. He also pointed out that after the 2002 Winter Olympics in Salt Lake City, the Olympic Committee gave the CPB \$1 million to fund an Olympic Monument on Capitol Hill. The proposed Olympic Monument was several million dollars and additional money was never raised to see it through completion. Recently the CPB approved a transfer of these funds to the Utah Olympic Legacy Foundation which will be used for other intended purposes.

Mr. Allred also addressed the Dedicated Credits Increase. Due to the tiling project the CPB estimated a loss of \$100,000 in event charges and room rentals. As a result their appropriation was reduced by

\$100,000. Actual results, however, show that events and room rentals have not declined and in fact are higher than prior years. The Analyst recommends an appropriation increase of \$100,000 in FY 2015 and FY 2016 from Dedicated Credits.

Ms. Allyson Gamble, Executive Director, CPB, gave an update on the Insurance Tile Replacement Project, which will be completed at the end of 2015. She also reported on four programs that the CPB manages on a daily basis: Capitol Stewardship, Events and Scheduling, Visitor Services, and Inventory and Collections. Ms. Gamble highlighted CPB's successful recycling program; staff's careful attention to keeping the Capitol clean and in good repair; increased event (4,259) and visitor (50,000) totals; redesign of the visitor self-guided brochure and the CPB website; and tracking and caring for over 9,000 items in the Capitol Collections.

Rep. Arent, CPB Board Member, asked if the CPB is adequately staffed to meet the additional work demands. Ms. Gamble responded that they are really struggling with having enough staff to handle the increased number of events. She said that CPB tries to stagger employees' schedules in order to cover shifts beginning as early as 5 or 6 a.m. and staying as late as 8 or 9 p.m.

Rep. Dee, CPB Board Member, commented on how well-managed the facilities are given the number of visitors who come to see and use the State Capitol.

#### **d. Legislature**

Mr. Allred presented the base budget for the Legislature using the COBI website: [http://www.le.utah.gov/lfa/reports/cobi2015/agcy\\_010.htm](http://www.le.utah.gov/lfa/reports/cobi2015/agcy_010.htm). The Legislature has a base budget of approximately \$24 million, of which almost 99 percent comes from the General Fund. The remaining \$175,000 goes to Dedicated Credits, which are collected from Legislative Printing. Eighty-four percent of the budget is used for Personnel Services and 6.7 percent for Current Expense.

Mr. Allred presented two options for budget effectiveness review: 1) Legislative Services Appropriation – (\$474,800) GF ongoing, and 2) Legislative Staff Offices – (\$307,100) GF ongoing. He indicated that the Legislative Staff Option represents a 2 percent ongoing reduction to each of the offices as follows:

Office of the Legislative Auditor General	(\$71,800)
Legislative Fiscal Analyst	(\$63,000)
Legislative Printing	(\$11,200)
Legislative Research and General Counsel	(\$161,100)

Mr. Allred briefly discussed prior year budget changes and performance measures.

Rep. Sanpei asked the legislative staff directors to respond to the proposed 2 percent reduction and the impact the reduction would have on their offices.

Mr. Ball, Director, Legislative Fiscal Analyst, thanked the Legislature for last year's \$300,000 budget increase to hire three additional staff. Thus far, the LFA has hired a programmer who works closely with LRGC and has helped develop the COBI website, the Fiscal Health Dashboard, and a new fiscal note system. The LFA also hired an experienced fiscal analyst from the Texas Legislature. Mr. Ball indicated

that the office had not hired an economist because the other two positions cost more than they had anticipated. The LFA still has \$60,000 remaining from the appropriation but not enough to hire an economist with benefits. Mr. Ball indicated that if LFA had to reduce its budget by 2 percent, the office could rescind the \$60,000 or not fill one position left vacant from the recent retirement of a senior fiscal analyst. If that were the case, the LFA would probably have to stop doing some of the things they are doing but would do its best to keep up with legislative demands.

Mr. John Schaff, Director, Office of the Legislative Auditor General (OLAG), reported that about 95.5 percent of OLAG's budget is invested in the human resource element. He pointed out that OLAG has already extended the life of the office computers, made cuts to the administrative budget, and cuts two staff positions. To meet the 2 percent target of \$71,800, Mr. Schaff indicated that he would probably eliminate one staff position. He pointed out that OLAG tries to complete 20 audits a year. He named several recently completed audits that hopefully provided insightful information to the Legislature.

Mr. Michael Christensen, Director, Legislative Research and General Counsel (LRGC), gave a quick overview of LRG's budget of approximately \$8 million. He reported that 93 percent of the office budget is compensation for fulltime employees. Another 2 percent of the budget accounts for data processing costs. Mr. Christensen pointed out that a 2 percent reduction of \$160,000 represents 40 percent of LRG's remaining budget.

Mr. Christensen identified the following options for the budget effectiveness review: 1) Eliminate part-time temporary employees, that include law clerks, research assistants, and IT assistants; 2) Eliminate out-of-state travel and current expenses such as books, subscriptions, and employee training. In terms of impact, Mr. Christensen stated that the part-time temporary employees are valuable to the office and that training keeps attorney memberships current and staff well-informed.

Co-Chair Hillyard thanked the directors for their reports.

### **3. Other Business/Adjourn**

**MOTION:** Rep. Sanpei moved to adjourn. The motion passed unanimously with Sen. Dabakis absent for the vote.

Co-Chair Hillyard adjourned the meeting at 6:16 p.m.